



UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF NEW YORK

Dick Boote  
United States Department of Justice  
Environmental Enforcement Section  
P.O. Box 7611  
Ben Franklin Station  
Washington, D.C. 20044

In re:

HBSA Industries, Inc., et al.

Debtors.

CASE NO. 91-12866

Chapter 7

PROOF OF CLAIM FOR ADMINISTRATIVE EXPENSES  
OF THE UNITED STATES OF AMERICA

1. The Attorney General of the United States of America hereby files this proof of claim for administrative expenses on behalf of the United States Environmental Protection Agency ("EPA").

2. HBSA Industries Incorporated ("HBSA Industries") has owned the Chase Interiors, Inc. Site, located at 205-247 Lister Avenue in the Village of Falconer, Chautauqua County, New York (the "Site"), since 1975.

3. Chase Interiors, Inc. ("Chase Interiors") operated the Site from approximately 1975 or 1976 until approximately 1991. Chase Interiors' operations at the Site included the building and finishing of store display fixtures.

4. On August 13, 1991, HBSA Industries and Chase Interiors (the "Debtors") filed a voluntary petition in bankruptcy pursuant to Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §

101, et seq. On August 23, 1991, a motion was filed for conversion to Chapter 7 of the United States Bankruptcy Code, 11 U.S.C. § 101, et seq. This motion was granted.

5. EPA performed preliminary assessments of the Site on September 13-15, 1993 and September 27, 1993, after the Site was referred to EPA by the New York State Department of Environmental Conservation. The types of hazardous substances found at the Site by EPA included, but were not limited to, flammable solid and liquid waste, butyl acetate, sodium hydroxide, and xylene. Some of these materials were in leaking containers.

6. Section 107(a) of the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 U.S.C. § 9607(a), provides in pertinent part that the current owner or operator of a facility from which there is a release or threatened release of a hazardous substance, as well as the owner or operator of the facility at the time of disposal of hazardous substances, shall be liable for all costs of response actions incurred by the United States not inconsistent with the National Contingency Plan, 40 C.F.R. § 300.

7. Leaking containers of hazardous substances were found at the Site. Other containers in poor condition that contained hazardous substances were also found at the Site. These conditions constitute a release or threatened release of hazardous substances at the Site.

8. Since May 21, 1993, EPA has expended approximately \$233,705.63 in response costs to secure and clean up the Site as

part of a removal action under Section 104 of CERCLA, 42 U.S.C. § 9604, and will continue to incur costs in connection with response actions with respect to this Site. Included in the removal action performed by EPA were the removal of drums, labpacks, cylinders, other containers, and a capacitor, and the provision of Site security.

9. EPA's work at the Site was undertaken to stop and prevent a release or threatened release of hazardous substances from occurring and to alleviate the imminent and substantial threat to the environment. All of EPA's response actions and costs are not inconsistent with the National Contingency Plan, 40 C.F.R. § 300.

10. Pursuant to Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), the Debtors are liable to the United States for all response costs incurred and to be incurred at the Site. The total amount of response costs for which the Debtors will be liable to the United States cannot yet be determined. The United States therefore reserves the right to amend this Proof of Claim for Administrative Expenses to include all such additional costs that may accrue in connection with the clean-up of the Site.

11. No payments have heretofore been made to the United States for the costs that are the subject of this Proof of Claim for Administrative Expenses.

12. No judgment has been rendered on this claim.

13. This claim is not subject to any set-off or counterclaim.

14. No perfected security interest is held for this claim.

15. This claim for post-petition response costs is filed as an administrative expense claim.

Respectfully submitted,

---

LOIS J. SCHIFFER  
Assistant Attorney General  
Environment and Natural Resources  
Division  
U.S. Department of Justice

---

DICK BOOTE  
Environmental Enforcement Section  
U.S. Department of Justice  
P.O. Box 7611  
Ben Franklin Station  
Washington, D.C. 20044  
(202) 514-2128